DOCUMENT RESUME

ED 362 081 HE 026 689

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TITLE On the Brink: The Impact of Budget Cuts on California's Public Universities.
INSTITUTION California Higher Education Policy Center, San Jose.
PUB DATE Aug 93
NOTE 31p.; Cover title varies.
AVAILABLE FROM California Higher Education Policy Center, 160 West Santa Clara Street, Suite 704, San Jose, CA 95113 (free).
PUB TYPE Information Analyses (070) -- Viewpoints (Opinion/Position Papers, Essays, etc.) (120) -- Reports - Research/Technical (143)

EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS *Budgeting; *Economic Impact; Educational Finance; Financial Exigency; Higher Education; Institutional Survival; Reduction in Force; *Retrenchment; *State Universities
IDENTIFIERS California; *California State University; California State University Long Beach; California State University Sacramento; *University of California; University of California Berkeley; University of California Santa Barbara

ABSTRACT

This report attempted to measure the impact of 2 years of budget cuts on the University of California and the California State University systems. The research involved review of a variety of budget documents, analysis of planning done to cope with budget cuts, and interviews with local campus and systemwide officials and knowledgeable sources in state government. The project studied the Berkeley and Santa Barbara University of California (UC) campuses and the Long Beach and Sacramento California State University (CSU) campuses. Major findings include the following: (1) the two systems stand on the brink of disaster due to real and damaging cuts resulting in declined education quality, lost faculty members, increased class size, and other effects; (2) students are paying higher fees and getting less as University of California fees are now among the nation's highest, and CSU fees have increased 68 percent; (3) the CSU system has responded to the cuts by reducing enrollment while UC has not done so; (4) both systems have tried to protect academic programs and full-time faculty at the expense of almost everything else, and neither system has tried to identify strong programs that should be defended; and (5) leaders in both systems were slow to recognize the threat posed by budget cuts and have been even slower to devise plans for the future. (JB)

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ON THE BRINK

A REPORT FROM

THE CALIFORNIA HIGHER EDUCATION POLICY CENTER

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ON THE BRINK:
The Impact of Budget Cuts on California's Public Universities

Jack McCurdy and William Trombley

August 1993

INTRODUCTION

What is the impact of two successive years of budget cuts on higher education in California, and what do these cuts imply for the future? The California Higher Education Policy Center asked Jack McCurdy and William Trombley to explore these serious questions, and *On the Brink* details their major findings: the magnitude of the cuts; the sources and amounts of replacement revenues; management of cutbacks at both multicampus system and campus levels; the strategies of the campuses; and, most critically, the impact and reality of the cuts on students, faculty, and academic programs at the campuses.

The implications of these findings must be of concern to all Californians. McCurdy and Trombley describe cuts in state support for the California State University and the University of California that amount to a major "disinvestment" in public higher education. They offer evidence of reduced opportunity and diminished institutional effectiveness. They fully justify their conclusion that higher education in California has moved to the brink of disaster. Their findings indicate that these two multicampus systems have been slow to recognize the magnitude and duration of the state's financial difficulties, and hesitant to address the long-term ramifications of these difficulties for academic planning. The major emphasis of the two systems has been on developing revenue to replace lost state funds, particularly by raising the price to students, and, in the California State University, by reducing enrollment. The multicampus governing boards and central offices have neither taken nor stimulated major initiatives to set program priorities, to eliminate duplication, to streamline campus missions, or to encourage cooperation among campuses. In some cases, campuses have sharpened their planning efforts, and moved to eliminate marginal, weak, or duplicative programs; but these have been the exceptions, not the rule. The rhetoric of planning far exceeds the reality, and others would profit from the example of McCurdy and Trombley by clearly distinguishing such rhetoric from serious proposals for change and from the reality of change itself.

No one could have predicted the severity and duration of California's financial problems. Could or should higher education have responded differently or better? The question has been overtaken by events. What is now important is recognition that the quality and accessibility of the University of California and the California State University, weakened by prior budget cuts, are now in serious jeopardy. Only major, explicitly joint and cooperative efforts by state government and higher education can stop the hemorrhaging of state financial support and draw the institutions back from the brink of disaster. State government must undertake budgetary "reinvestment" and fiscal stabilization, but should only do so as higher education institutions adopt and adhere to rigorous planning processes and raise instructional productivity. California lacks realistic plans for accommodating the enrollment demands of the next decade and a half. This grave deficiency, pointed out in the Center's most recent report, *By Design or Default*, is again in evidence, and again argues for both a longer term perspective and a greater sense of present urgency.

On the Brink is limited to inquiries at the University of California and the California State University, but the Center plans to address similar issues in the California Community Colleges in the Fall of 1993. The authors of this report, Jack McCurdy and William Trombley, are both former education writers for the *Los Angeles Times*. McCurdy is now a California correspondent for the *Chronicle of Higher Education* and a free-lance writer. Trombley is a colleague and the Senior Editor at the California Higher Education Policy Center.

The California Higher Education Policy Center welcomes the reactions of readers to our reports.

Patrick M. Callan
Executive Director

On the Brink: The Impact of Budget Cuts on California's Public Universities

by Jack McCurdy and William Trombley

On a bright, sunny day in late May, thousands of graduates and their families, spouses, and friends gathered at California State University, Long Beach, to celebrate the awarding of long-sought bachelor's and master's degrees. To the casual visitor, this might have looked like the California higher education dream come true. Large numbers of students, many of them non-whites, were graduating from one of California's low-cost, "blue collar" state universities. (Minorities accounted for 48 percent of the undergraduates and 31 percent of the graduate students at Cal State Long Beach during spring semester, 1993.)

Although the graduating students faced uncertain job prospects in a state that has been hard hit by recession and by the pain of converting from a "cold war" economy, at least they had their degrees—necessary admission passes to a society increasingly devoted to credentialism. As the graduates listened to speeches, exchanged greetings, and took one another's pictures, they could see new campus buildings rising in the background, promising more college opportunities for even larger numbers of students.

However, this pleasant scene of celebration masked serious problems at Cal State Long Beach that are shared by most of California's public universities. State budget cuts cost the campus $20 million in the 1991-92 and 1992-93 academic years. As a result, full-time equivalent enrollment will drop to about 18,800 this fall–the lowest it has been since the mid-1970s. More than 500 faculty members have left in the last two years, resulting in fewer and larger classes. Last year 771 course sections were dropped and the student-faculty ratio rose from the 18-1 for which the campus is budgeted to 22.5-1. Several hundred nonacademic staff positions have been wiped out. The library and student health service budgets have been slashed by 30 percent. Two academic programs have been eliminated entirely and many more have been cut back. "A lot of us have worked very hard to build up these programs," said Dorothy Goldish, who has taught chemistry at Cal State Long Beach for 35 years and now is chairwoman of the Academic Senate. "It's heartbreaking to see them dismantled."

"A lot of us have worked very hard to build up these programs," said Dorothy Goldish, who has taught chemistry at Cal State Long Beach for 35 years and now is chairwoman of the Academic Senate. "It's heartbreaking to see them dismantled."

To some extent, the Long Beach experience has been repeated up and down the state—on the nine campuses of the University of California and the 20 that are part of the California State University.

This report attempts to measure the impact of the last two years of budget cuts (the 1991-92 and 1992-93 academic years) on the UC and CSU systems. A variety of budget documents have been reviewed. Local campus and systemwide officials have been interviewed, as well as knowledgeable sources in state government. Two UC campuses—Berkeley and Santa Barbara—and two Cal State campuses—Long Beach and Sac-

ramento—have been studied in some detail. In addition, an attempt has been made to analyze the planning that has been done in both systems to cope with budget cuts to date and those still to come.

Major findings include:

- After two years of budget cuts and with a third coming up, the University of California and the California State University stand on the brink of disaster. Although officials of both systems often exaggerate the extent of the reductions, the cuts are real and they have been damaging. Educational quality has declined. Valuable faculty members have retired and have not been replaced. Class size has risen sharply, resulting in less attention to individual students. Important courses have been dropped or are offered only occasionally. Library funds have been slashed. Obsolete computers and laboratory equipment have not been replaced.

- Students are paying higher fees but are getting less for their money. UC undergraduate fees, once among the lowest at U.S. research universities, are now among the highest. CSU fees are still below the national average for comparable institutions but they have increased 68 percent since 1990 and will jump another 10 percent next year. Many Cal State students cannot get courses they need for graduation, extending their time on campus, at added cost to themselves and the state. In both systems, financial aid is inadequate. Health services, academic and personal counseling, and other forms of student assistance have been reduced drastically.

- Cal State has responded to the cuts by reducing enrollment while UC, so far, has not done so. Both systems have tried to protect academic programs and full-time faculty at the expense of almost everything else. The University of California has been more successful than Cal State in pursuing this strategy. Neither system has made much of an effort to identify strong programs that should be defended, while other, weaker offerings are allowed to wither.

- Leaders of both systems were slow to recognize the threat posed by budget cuts and have been even slower to devise plans for the future.

THE UNIVERSITY OF CALIFORNIA

Jack W. Peltason, president of the University of California, told the state Legislature on June 1, 1993, that the university "has received devastating cuts during the decade of the nineties." Peltason was talking primarily about 1991-92 and 1992-93, when state financial support for the university dropped by an appreciable amount for the first time in a half century.

Some knowledgeable observers agree fully with his assessment.

However, others believe that the university has fared relatively well, considering the reduction in state funds allocated to the university during the past two years. These reductions have resulted in cutbacks in nonacademic employees, curtailment of a wide array of services to students, huge jumps in student fees, and the loss of many veteran faculty members through retirement incentives on the nine UC campuses. Nevertheless, the goal set forth by former President David P. Gardner three years ago, as budget cuts began, was to protect the integrity of the instructional program and many believe that goal has been achieved.

"I argue that the university and its faculty did extremely well in protecting the core of the university," said W. Elliott Brownlee, professor of history at UC Santa Barbara and chairman of the system's statewide Academic Senate. "Therefore, it is extremely difficult and, indeed, inconsistent to 'cry wolf' that the budget crisis has damaged us severely when we have been successful in protecting the mission of the university."

Michael Teitz, professor of city and regional planning and chairman of the Academic Senate at UC Berkeley, said the "remarkable thing is that thus far. . . the standards and morale of the faculty and the attraction of [UC] Berkeley have been sustained."

The two faculty leaders as well as many others can readily recite a litany of hardships and damaging retrenchments that the decline in state funding has produced on the campuses during the last two years. Students probably have been affected most through a 40 percent increase in fees or tuition during that period; the imposition of, and increases in, a wide variety of "user" fees; a corresponding decline in important services such as health; and the failure to provide enough financial aid to offset the fee increases. Although enrollments have held steady so far, more fee increases could push qualified students out of the university.

Almost all nonacademic services—and the staff allocations associated with them—have been cut drastically. Although tenured and tenure-track faculty positions have been "safe," many prestigious professors have elected to participate in the university's Voluntary Early Retirement Incentive Program. Many of them have not been replaced. As a result, some academic departments have been little affected, while others have been crippled by the early retirements.

> **"It would not take much by way of further budget cuts to push us beyond the point of no return."**
> **- Jack W. Peltason**

Overall, the combined effect of these changes, in the opinion of most of those interviewed for this report, has brought the university to the point where further cuts will have devastating consequences. Several UC leaders–including Peltason–have described the condition of the university in terms of a weakened institution on the brink of collapse. "It would not take much by way of further budget cuts to push us beyond the point of no return," the UC president told a legislative committee last spring.

"It's like a fast," said Robert W. Kuntz, assistant chancellor for budget and planning on the Santa Barbara campus. "You don't feel the effects for awhile but then you start feel-

ing the cumulative impact. If you intervene at some point, there is no lasting damage, but if the fasting goes on too far, maybe it can't be avoided."

The fasting analogy is illustrative in another way: the effects have been hardly visible. The outward appearance of the campuses has changed little in spite of the funding cuts, and in some ways, this has been helpful. According to several UC officials, the university has made an effort to downplay the impact of the budget cuts in order to avoid damaging the recruitment of top faculty and scaring off students. A less beneficial effect of this public relations strategy, however, is that if the impacts are not visible, it is hard to convince outsiders that the university is suffering from its financial plight.

Meanwhile, the quality of education is eroding. Although the funding cuts have been implemented differently at the various campuses, the impacts are real–and they are deep.

A. A Summary of Cuts and Impacts

Universitywide officials required all campuses to accept 6 percent unallocated funding reductions in 1991-92 and again in 1992-93, with an additional 4 percent in reductions deferred to 1993-94. The campuses then exercised a good deal of discretion in reducing their budgets by those amounts while uniformly minimizing impacts on academic programs.

Although exact figures to describe the impacts of those cuts are not available, because the books have not yet been closed on the last fiscal year, this much seems clear:

- State general fund allocations, which provide much of the money for the university's instructional program, were cut by about $30 million in 1991-92 and by $227 million in 1992-93. These cuts were the first for the university since the Great Depression, when enrollments dropped. (General Fund support for 1993-94 has been reduced another $88 million, or 4 percent.)
- This combined two-year cut of $257 million was offset in the governor's budget by a total of $320 million in estimated savings from the faculty and staff early retirement program and additional revenue from student fees. The budget estimated that retirements would provide a net savings of about $120 million over the two years and that fee revenue would increase about $200 million in the same period. The university estimated that it received only $174 million in additional student fee income, for total offsetting revenues of $294 million.

In either case, enhanced income from higher student fees and savings from early retirements have roughly balanced state cuts for the last two years. University officials seldom mention this fact and it is rarely reported in the news media.

- To mitigate the effects of higher fees, the university increased its funding of student aid by about $52 million. This reduced the offsetting revenue to $268 million by the state's calculations, or $242 million by the university's. In either case, enhanced income from higher student fees and savings from early retirements have rougnly balanced state cuts for the last two years. University officials seldom mention this fact and it is rarely reported in the news media.
- Although the savings from retirements and the revenue from fee increases helped to offset state funding cuts, the university still has been required to absorb what it calls "unfunded workload" costs for such items as increased costs for employee benefits, bond payments, and higher prices for necessary goods and services. UC officials say these costs amounted to about

$700 million through 1992-93 but the Legislative Analyst disagrees, pointing out that the university counts salary increases that were not granted as part of the "unfunded workload." The Analyst's latest report said the university had $23.8 million in "unavoidable cost increases" in 1992-93, but that another $71.1 million claimed by the university was "avoidable."

- In dealing with the cuts, the university has been helped by the fact that state general funds account for less than one-third of the university's total budget, which will be about $9.4 billion next year. More than $3 billion comes from the federal government—two-thirds of that to operate the Department of Energy laboratories at Berkeley, Livermore and Los Alamos, N.M. Student fees, private gifts, and patient fees from the university's five teaching hospitals are other important sources of revenue. Although much of this money is earmarked for specific purposes, it provides the university with some flexibility in dealing with short-term budget problems.

- UC officials have estimated that about 5,000 full-time positions have been eliminated or have gone unfilled in the last two years. This includes a few hundred temporary faculty positions but no tenured positions. Fewer than 1,000 nonacademic employees were actually laid off, officials said. Total savings were estimated at about $200 million.

- A total of 6,651 faculty and nonacademic employees have taken advantage of the system's early retirement plan and many have not been replaced.

- All campuses have been forced to reduce many programs and services outside the classroom, such as libraries, health services, student services, equipment and building maintenance, and support staff.

- The number of classes offered throughout the system has remained constant, officials said. Some classes have even been added to expand undergraduate opportunities, but others—typically, graduate or upper division classes—have been discontinued because faculty members who taught them retired and adequate replacements have not been found.

- Faculty teaching workload throughout the system also has increased by almost 5 percent, one UC official said, though no systemwide figures are available. The Legislative Analyst does not agree that UC professors are teaching 5 percent more than before and questions the data-gathering approach that has led the university to this conclusion.

- UC officials also say the student-faculty ratio has increased in the last two years but they have no systemwide figures. At Berkeley, the ratio has climbed 8 percent in that time, from 16.3 to 17.67, according to James Hyatt, associate chancellor for budget and planning.

- Average headcount enrollment in the system peaked at 162,467 in 1990-91 and declined to 160,769 in 1992-93. Officials said the drop was due largely to tightened eligibility requirements. However, university officials have announced their intentions to reduce future enrollments to meet state funding levels over the next four or five years.

- Although the university still is able to provide spaces for the top 12.5 percent of California's high school graduates, as provided by the state master plan for higher education, the Legislative Analyst has asked if this still will be the case if the university carries out its plan to reduce enrollment to meet state funding levels.

- The university's increase in undergraduate student fees to a total of $3,044 a year in 1992-93 has caused students to assume greater debt and to work more in order to remain in school, student leaders say.

(Next year, fees will jump again—to $3,674.) Although the university has increased its financial aid funds, the availability of aid from state and federal sources has not kept pace with the rising fees.

More detailed information on the university's budget is unavailable at this time because exact figures for UC expenditures and revenues in 1992-93 will not be calculated until several months into the 1993-94 fiscal year, budget officials said. Current estimates of expenditures and revenues by category during 1992-93 or any other fiscal year are not usually maintained, they said, because of constant fluctuations in the accounts within the university's total budget of more than $9 billion.

B. How the Cuts Were Carried Out

The guiding policy behind the university's response to the funding reductions of the last two years was laid out by former President Gardner in a 1990 speech. "My principal objective [is] to maintain the quality of the university's teaching programs and we will be able to do so with this [1990-91] budget", he said, "although we will be making cuts in virtually every other part of our budget." The directive initially was conveyed to campus chancellors by Gardner during internal meetings, according to Ronald Kolb, director of news and public affairs for the university system, and the theme has prevailed since. Peltason, the current UC president, reiterated the objective in March, 1993, when he told the UC Board of Regents that "campuses will make every possible effort to protect core instructional programs as they implement the budget cuts."

Even in 1990-91, when UC received an increase of $59 million, or 3 percent, in state general funds, the university was beginning to make cuts in nonacademic programs. These included 5 percent in campus administration, 5 percent in state-funded research and 5 percent in state-funded public service (mainly Cooperative Extension). Student fees also were increased by $186, or 11 percent, that year, the first large increase in nearly a decade. The cuts were made, Gardner said at the time, because the state had provided the university with 10 percent, or $163 million, less than it had requested to meet increased costs. But the next year, 1991-92, the university suffered an actual reduction in state general funds.

The University of California
(Dollars in Millions)

Revenue Source:	1990-'91	91-'92	92-'93(est.)
State General Fund	$2,135	$2,105	$1,878
Student Fees	249	328	434
Offsetting Income (1)	222	236	242
Lottery	18	14	16
Totals	**$2,624**	**$2,683**	**$2,570**

(1) Primarily federal contract and grant overhead fees, nonresidents tuition, and student admissions fees. Does not include early retirement savings.
Source: State Department of Finance, June 8, 1993

In 1991, Governor Pete Wilson proposed reducing UC's general fund support by about $1.8 million, but the cut turned out to be about $30 million when revenue estimates were revised in mid-year to reflect a rapidly deteriorating state economy. The university responded by increasing student fees 36 percent, for an increase in revenue of about $94 million. In addition, merit salary increases for faculty and staff members were not given—an estimated savings of $17 million—and the early retirement program that had previously been put into effect saved $75 million in 1991-92.

In 1992-93, both faculty and staff members received a 2 percent merit pay raise. Faculty members also received the 2 percent that was denied them in 1991-92, but staff members did not. The last general salary increase–4.8 percent for faculty and 5 percent for staff–was in 1990-91.

In 1991-92 the university also cut back on

nonacademic employees, equipment purchases, and maintenance of buildings and grounds. In addition, UC said it would reduce enrollment by 5,500 students over the next three or four years, resulting in the elimination of 360 faculty positions and nearly 100 teaching assistants.

The governor's 1992-93 budget, made public in January 1992, proposed a $31 million, or 1.5 percent, increase in state general fund support for the university. But as California's economy rapidly worsened and state revenues shrunk, the recommended increase was wiped out. Instead, by the time the budget was signed, UC's state support had been cut by $227 million, or nearly 11 percent. The university's response, once again, was to reduce its workforce, raise student fees, cut purchases of supplies and equipment, and save through a second round of early retirements.

The university's response, once again, was to reduce its workforce, raise student fees, cut purchases of supplies and equipment, and save through a second round of early retirements.

In November 1992, William B. Baker, vice president for budget and university relations, told the Board of Regents that about 60 percent of the $227 million cut in state funds would be made up by trimming about 3,500 employees. Baker also said about 25 percent of the cut would be replaced by a $558, or 22 percent, student fee increase, and the remainder by holding down purchases. He said about 2,000 administrative and noninstructional jobs would be cut in 1992-93 and another 1,500 instruction-related positions (retirements and temporary faculty members) would be phased out over the next several years.

Reductions for both years—1991-92 and 1992-93—were agreed upon through consultation between statewide executives, campus officials, and leaders of the Academic Senate, according to both university officials and faculty leaders.

In these ways, the strategy outlined by David Gardner in 1990 to protect the core academic programs and the full-time faculty was being pursued successfully. The Legislative Analyst's 1992 report found "little impact on course offerings" in the 1991-92 school year.

Last year, university officials announced plans to cut 1,500 instructionally-related positions on the nine campuses but Calvin C. Moore, associate vice president for academic affairs, said in an interview that few temporary faculty members, and no full-time professors, have been dropped so far. Early retirements have accounted for most of the faculty cutbacks. Of the 1,045 early faculty retirees to date, Moore said 145 returned to teach part-time in 1991-92, 150 in fall 1992, and 299 last spring. A sizeable but undetermined number of retired faculty members also are teaching part-time voluntarily without pay, but they are not reflected in the data.

Lawrence Hershman, UC associate vice president and budget director, estimated that the university has saved about $120 million from the early retirement program so far. More savings will be realized from a third round of early retirement offers approved by the Board of Regents in mid-June. The savings represent the difference in salaries paid to senior faculty members and the lower pay of their replacements. In some cases, positions have not been filled in order to save money.

The savings estimate, however, does not take into account so-called "start-up" costs of recruiting replacements, which include travel and moving allowances as well as equipment and graduate students who must be provided to attract leading candidates. These costs are believed to average about $150,000 per faculty recruitment in the sciences, perhaps half that amount in the arts and humanities.

C. The Impact of the Cuts

"We have been able to hold things together but it is getting very, very thin," said Calvin C. Moore, the associate vice president for academic affairs. Besides "deterioration" of the libraries, "the curriculum has suffered because we can offer less depth and breadth," he said. Faced with limited resources, the university has been forced to concentrate on maintaining 'bread and butter' courses and has had to eliminate many of the specialized ones that have made UC what it is."

Neil J. Smelser, University Professor of Sociology, said, "at the department level, we're concentrating on keeping a major for students intact and with some integrity...that means you pull everybody in to teach the basic curriculum and there's much less flexibility to offer specialized courses."

Although university officials have warned that many prominent professors would leave for other research universities because of budget cuts, no one could name a prestigious faculty member who had done so. But it is widely agreed that the departure of many senior faculty members, through early retirement, has resulted in a loss in accumulated knowledge and experience that has hurt some departments on every campus. "Early retirement was a necessary evil," said Brownlee, the statewide Academic Senate chairman. "But it has served to diminish the quality of education. The average quality of people who took early retirement was extremely high."

Moore said academic support staff has suffered "big hits," including library, clerical, student, and counseling services. "It has been trim, trim, trim, which has added to the diminution of quality," he said.

Hershman, UC's budget director, said he believes "we are in the process of making a huge change in this institution." Quality has been affected by the cuts, he said. Although quality is hard to measure, Hershman pointed to the loss of experienced faculty members and to reductions in instructional support, equipment purchases, and building maintenance as clear indicators of decline. "Students are not able to get the classes they need," he said. "There aren't enough TA's [teaching assistants], which is hurting the grading of papers. Those are stories you hear all over."

One student leader said the plight of UC students is much worse than that. Andy Shaw, director of the UC Student Association, said students complain that fees are going up but there are fewer university services for students, as library hours are shortened and health services are reduced. Shaw also said higher fees are forcing students to work more hours at part-time jobs to stay in school and to take on heavier loan debts. Few are dropping out so far but if fees continue to rise, Shaw believes, "the door may well be closing because of the cost to middle and lower-income students who can't afford it or can't or won't take out loans."

> **"It has been trim, trim, trim, which has added to the diminution of quality."**
> **- Calvin C. Moore**

As campus officials have looked for ways to make cuts that would not affect academic programs, their budget knives have fallen heavily on student health services—medical treatment, health advising, counseling, and other benefits provided in campus facilities. Catherine B. Tassan, director of the university health service at UC Berkeley, said funding cuts have "weakened our ability to respond" to growing student needs. With few exceptions, student health centers have been cut sharply—as much as 40 percent, said Tassan, who chairs a group of campus health center directors in the UC system. Hospitals and clinics have been closed, hours of operation have been reduced, staff members have been laid off, and health prevention programs have been scaled back. "Our ability to serve students in ways that allow us to tailor services

to the needs of young adults has been eroded," Tassan said. Campus health centers are finding it harder "to provide a basic safety net so students won't be in jeopardy of dropping out of school."

D. "Ad Hoc" Planning

The state budget cuts took UC leaders by surprise. As a result, the university responded on a short-term basis without benefit of advance planning. Officials said this was due in large part to the absence of advance information about the nature of the reductions. In both 1991 and 1992, funding levels changed substantially from what was proposed early in the year to what finally was adopted by the governor and the legislature. And the state budget was not signed by Governor Wilson until July in 1991, and not until September in 1992. UC officials say the unpredictability of the budget, the sheer size of the cuts and unfunded costs, and the late adoptions severely hampered the university's ability to plan efficiently.

"These reductions came on quickly and unexpectedly," Peltason told the Board of Regents in May 1993. "We have responded to them with a series of ad hoc measures."

"Planning takes time and we had to respond quickly to what was happening year by year," said James Hyatt, associate chancellor for budget and planning at UC Berkeley. "It also has been hard for the university to go to a decrement [gradually growing smaller] mode after an era of growth."

Said Hershman, the university's statewide budget director, "it has taken us awhile to wake up to the fact that this is not just a blip but a permanently structured program of reductions. All the advice we got from everyone was that it [the state's economic downturn] would be short. Everybody has been shocked by how long and how deep the recession has been. It was seen as short-term in nature so we decided to take short-term steps to deal with it."

As a result, little attention has been paid to such questions as how many research campuses the state can afford or what might be done to shift some of the attention of UC faculty members from research to teaching. Indeed, the UC Board of Regents voted in July to continue planning for a new general campus in the San Joaquin Valley, an expensive undertaking that many believe neither the university nor the state can afford. The belief that the reduction in state support would be short-lived also may have contributed to what some say was a deliberate attempt to play down the effects of cuts on the university, in hopes that faculty and student talent would not be frightened away. "With a great university, you don't 'cry wolf' unnecessarily because the consequences of reputational loss are very important," said Teitz, the Academic Senate chairman at UC Berkeley.

But some believe the university might have won more public support and better budgetary treatment from the governor and legislators had it tried to demonstrate more aggressively how cuts were affecting the institution. "The Office of the President elected not to tell the story publicly," said J.L. Heilbron, vice chancellor of the Berkeley campus. The concern was that "people would not think the university was telling the truth" about the impact of funding cuts. But Heilbron added, in retrospect, "it would have been wiser to inform the entire university community of the seriousness and longevity of the budgetary situation so everybody would know why we were making the preparations [for reductions] that we were."

Kolb, director of news and public affairs for the university, said the Office of the President did urge the nine campuses to tell the public about the impact of the cuts but local campus officials were reluctant because they were worried about faculty recruitment and student enrollment. "The fear was that UC would be seen as a crumbling institution," he said.

Since the university has largely succeeded in protecting its instructional program, offi-

cials could not claim the university's primary mission was being hurt badly, Kolb noted. He and others believe that while the cuts were eroding the university's strength, it was not an easy case to make with the public.

These apparent differences about how to communicate the university's condition may help to explain the news media's failure to examine the budget cuts more closely. There was little in-depth reporting about the impact of the cuts. Some reports tended to be confused. For example, dollar amounts describing the reductions sometimes were used inconsistently, mixing past cuts with proposed cuts.

However, UC officials are partly to blame for this because they often used misleading figures in their budget comments. For example, in a January 9, 1992, letter to Warren Fox, executive director of the California Postsecondary Education Commission, former President Gardner referred to a "budgetary shortfall" of more than $312 million for the 1991-92 academic year, when the actual reduction in state support from the preceding year was only about $30 million. Presumably, Gardner was including in his $312 million "shortfall" figure all of the "unfunded workload" monies which are a source of dispute between the university and its legislative overseers. But he does not say so, making it difficult for all but budget insiders to know which shell the pea is under.

Further, UC officials seldom call attention to the fact that they have been able to offset some budget cuts with increased student fee revenue and with savings from early retirements. At the state Department of Finance, and in other strategic places, this lapse has been noted. "One of the complaints we have is that UC never talks about the offsetting revenues," a top state budget official said. "UC doesn't give a full picture." It is possible that the university's failure to provide a "full picture" of its finances has undermined its credibility in some quarters.

E. Options

Did the university have realistic options to the cuts it has made? Few, UC officials argue, because the objective was to protect the instructional program, which requires more than 70 percent of the university's state general funds. That left a relatively small portion of the budget from which to realize savings.

The key decisions were made in the systemwide offices in Oakland, where the policy of protecting the academic program was established and pursued. There, plans were drawn up for the early retirement program, student fee increases, and cuts in administrative costs—the major components of the plan to accommodate the budget cuts.

Only the systemwide Office of the President has the authority to enact such broad revenue-producing measures. Had these systemwide initiatives not been embraced, said Ellen Switkes, assistant vice president for academic personnel and affirmative action, it would have meant "dumping more unallocated cuts on the campuses," which surely would have resulted in campuses being forced to cut into their academic programs. Specifically, the decision was made not to undertake across-the-board funding reductions because that obviously would have required academic program cuts. The overriding goal was to "take all [eligible] students, with fewer faculty and try to make available required courses so they could graduate on schedule," Switkes said.

Brownlee said the Academic Senate's goal, with which both Gardner and Peltason have agreed, was to maintain the student-faculty ratio, keep faculty salaries competitive with those of comparable universities, and continue merit pay raises. Of these three, only salaries have slipped, he said, because cost-of-living increases have not been provided since the 1990-91 academic year.

On the other hand, some argue that the determination to preserve the academic pro-

gram has insulated the faculty from the reality of the bleak budget picture and has postponed consideration of possible money-saving moves like concentrating strong programs on certain UC campuses while abandoning them on others. Only recently have Peltason and other top administrators begun to suggest that the time for restructuring is at hand.

Some argue that the determination to preserve the academic program has insulated the faculty from the reality of the bleak budget picture and has postponed consideration of possible money-saving moves like concentrating strong programs on certain UC campuses while abandoning them on others.

The university also has turned a deaf ear to suggestions that some state research money might be diverted to the teaching program and that many professors should spend somewhat more time on teaching and somewhat less on research.

CASE STUDY # 1: UC Berkeley

Outwardly, the Berkeley campus appears to be unscathed by its $44 million, 11 percent cut in state funds over the last two years. Enrollments have not declined. Course offerings have been maintained. Faculty continue to teach their classes. The "jewel" of the UC system seems not to have lost any of its luster—at least not on the surface.

"There has been a determined effort to sustain excellence in the face of arduous circumstances," Michael Teitz, chairman of the Berkeley Academic Senate, said. "The university has tried to manage the cuts in a way that would sustain its reputation, and the reality behind that reputation would not change."

Vice Chancellor J.L. Heilbron said the faculty and administration decided "not to parcel out the cuts across the board but to protect the instructional units and the libraries and hit the central administration and research." For instance, academic departments were asked to reduce their budgets by 3 percent while central administration was cut 10 percent. He said there has been no overall reduction in the number of courses offered to students and additional freshman and sophomore seminars have been added. Although a few temporary faculty positions have been eliminated, the number of graduate assistants has remained unchanged.

In part, this has been possible because 258 Berkeley faculty members have taken early retirement, providing substantial savings for the campus. In addition, 132 of these positions have been left vacant, saving even more money, said Hyatt, the chief campus budget officer. While the number of faculty members has been reduced, full-time-equivalent enrollment has held steady at 27,760, he said. This means professors are teaching more than before. Hyatt said tenured and tenure-track faculty taught an average of 1.9 courses per quarter in 1992, an increase of 11 percent over 1990. The student-faculty ratio climbed from 16.3-1 to 17.7-1 over the same period, Hyatt said.

"Faculty have been teaching more and working harder," according to Heilbron. "We have begun to cannibalize the faculty" through the early retirement program, the vice chancellor added. "Some of them [the retirees] were very distinguished and brought in a lot of federal research funding. Their loss has been devastating."

However, the impact of early retirement has been "uneven," he said, with some academic departments little affected and others being harmed severely by the loss of many of their most prominent faculty members.

"The early retirements seem to be controlling the campus planning process," said K. Patricia Cross, professor of education. "If you have a lot of older faculty, your department is in real trouble."

For instance, the prestigious History Department lost nine members to early retirement last year and replaced only three. Another nine or 10 are expected to leave in the next round of early retirements and department Chairman David N. Keightley is not sure he will be permitted to replace any of them. The early retirement of Professor William Slottman meant that no Eastern European history courses were taught last year, Keightley said, while a proposed reduction in the number of graduate student teaching assistants next year could mean fewer discussion sections in U.S. History and other basic courses.

"We have begun to cannibalize the faculty" through the early retirement program, J.L. Heilbron said.

The Berkeley and UCLA history departments are talking about dividing up specialties, no longer attempting to be the very best in the land in all areas of the discipline. This is the kind of campus consolidation and specialization that UC statewide administrators are just beginning to discuss—much too late, some believe.

Keightley worries about losing promising professors in their late 30s and early 40s if budget cuts continue. "I've been talking to my middle-level faculty and they're concerned," he said. "Our salaries are falling farther behind and no one knows when this is going to end." As for the best graduate students, "I routinely tell them to go to the University of Chicago, where they can get four years' funding," Keightley said. "I can't provide that."

Among the 500 nonacademic employees who have been trimmed from the Berkeley payroll are many secretaries who once assisted faculty members. As a result, Heilbron said, professors are doing routine tasks that detract from their teaching and research. Thus, faculty members feel "squeezed" by the cuts, even if there have been no direct cuts in the instructional program.

Elsewhere on campus, however, the cuts seem much more serious. Budget figures show that instruction has lost no money over the last two years but nonacademic divisions have been cut sharply. Libraries, student services, academic support, health services and campus maintenance and operations have lost from 10 percent to 18 percent of their funds. These cutbacks affect the academic program in indirect and often subtle ways. For example, fewer supplies and clerical workers means more work for faculty members and less efficiently run departments. In the libraries, reductions in staffing levels and hours of operation create problems both for students and for faculty members who are working on research projects. Reduced health services take their toll on students in immeasurable ways.

Hyatt said the campus' financial inability to maintain its physical plant could have serious consequences. Failure to replace deteriorating electronic cables, for example, "could result in 'brown-outs' which would damage experiments and computers."

Daniel Boggan, Jr., vice chancellor for business and administrative services, said the backlog of deferred maintenance has reached $126 million, an amount that would be hard to erase even with more generous budgets. The campus has been forced to delay needed roof repairs on many of its 150 structures, which will be far more expensive to fix in the future. "We sometimes have roof leaks and that is the test—when the rain is coming in, we have to do a repair," he said.

Except for an occasional leaky roof, most of Berkeley's hardships have been invisible. As campus officials know, it is hard to make a case for suffering from dirty bathrooms or delays in finding the right journals in libraries. But to Jeff Pudewell, director of main library services and administration, the cuts have meant a slow erosion of Berkeley's world-class library system. He said the $17

million budget for the libraries has been trimmed 10 percent in the last two years. The cuts have made it difficult to maintain adequately Berkeley's collection of 7.9 million volumes, valued at about $1.4 billion, Pudewell added.

So far, the collections of books and journals have been protected from cuts, the library director said, although fewer new volumes and journals are added each year as prices escalate. However, the loss of about 100 of the libraries' 450 employees has had a major impact, as collections specialists who buy foreign language material all over the world have left. Since these highly-trained specialists are needed to purchase the right material for researchers and students, Pudewell said, "in many respects we now are out of the game in building strong collections and services."

"We sometimes have roof leaks and that is the test—when the rain is coming in, we have to do a repair."
- Daniel Boggan, Jr.

Nor has the Berkeley library system been able to incorporate informational technology into its operations. "This field is really coming into its own," Pudewell said. "A million indexing and abstracting services which speed research significantly are becoming available. This has been developing for a decade and we need to automate the libraries to make them more efficient." Without this technology, Berkeley graduates will leave without "learning how to use these new resources and they will not be information-literate," he said. They risk being "second rate" in technology skills and Berkeley's reputation for academic quality will suffer.

"The informational resources are exploding while our budget is imploding," Pudewell said. "We are sort of going backward while information technology is going forward."

Catherine B. Tassan, Berkeley's health services director, said her staff has been reduced from about 170 full-time employees in the late 1970s to 120 currently, although enrollment is about the same or higher. The current annual budget of $4 million has been trimmed by several million dollars in the last decade, including almost $300,000 in the last two years. The reduction in health services "has been one of the most dramatic on campus," she said.

In 1990, the campus hospital was closed, forcing sick students to go for overnight stays to community hospitals, which usually are crowded and are not prepared to deal with student problems as effectively as a campus hospital, according to Tassan. In 1992, the dental clinic was closed, even though it was largely self-supporting. The clinic had served about 3,000 students a year. "That's how tight it was getting," she said.

"The informational resources are exploding while our budget is imploding. We are sort of going backward while information technology is going forward."
- Jeff Pudewell

At the same time, "basic community health services have been downsized or eliminated" in the city of Berkeley, Tassan said. "As the campus services were being reduced, there was no way to replace them with community services."

Students were coming to campus with more emotional and psychological problems, such as eating disorders and drug abuse problems, and with such physical maladies as repetitive motion syndrome. But "students usually don't have money for emergency care (at community hospitals) and they don't know who to call or where to go," she said. "We want them to be able to get in here because they may delay getting care and will become sicker or develop higher anxiety."

Ten years ago, about 25 percent of

Berkeley's students were not covered by health insurance, now about 60 percent have no insurance, Tassan said. By depriving them of needed services, the university undermines their ability to do well and "you diminish considerably the success of the academic program," she said.

Other student services also have been cut drastically. Although students are paying higher fees, they must stand in ever-longer lines for help with advising, registration, financial aid, career counseling, and other services. "It's just harder to get services to students in a timely fashion," said W. Russell Ellis, vice chancellor for undergraduate affairs, who has seen the student services budget of about $18 million trimmed by $5 million in the last four years, as student fees have soared. A growing problem is what Ellis called the increasing number of "ghost fees" that students pay for mostly academic services and materials that have been free in the past. For example, many departments now charge for reproducing papers. "As departments lose financial support, they add on $5 here and $10 there and it begins to add up," he said. "We are hurting students in unforeseen ways."

CASE STUDY # 2: UC Santa Barbara

The 18,000-student UC Santa Barbara campus has followed a set of "planning principles" in trimming its budget by nearly $18 million, or 11 percent, in the last two years. The first principle, agreed to by administration and faculty leaders, says "top priority will be given to protecting and preserving the academic mission."

"I think the principles served us well," said Robert W. Kuntz, assistant chancellor for budget and planning. "There was no serious consideration of across-the-board cuts in funding."

Instruction and academic support were reduced only 2.5 percent in the two years, while every other campus activity suffered much deeper cuts. About $105 million was allocated to instruction in 1992-93, accounting for 76 percent of the $138 million campus operating budget. "We really aren't protecting the academic program enough," Kuntz said, "but with over 70 percent of our funds in that area, nonacademic programs can't absorb all the cuts alone."

Santa Barbara has about 125 fewer faculty members than before the budget cuts began in 1991-92 as a result of the university's early retirement program and a cutback of about 25 lecturer positions. There have been no layoffs among tenured or tenure-track faculty.

Eighty-six tenured professors took early retirement during 1991-92 and 1992-93 and 45 of those positions are being left open to save money, Julius Zelmanowitz, associate vice chancellor for academic personnel, said. Thirty-three of the 86 retirees have returned to teach part-time, 19 new tenure-track professors have been hired, and 22 searches for permanent replacements are underway, he said.

Kuntz said the campus has saved about $4.4 million from early retirements in the last two years because lower salaries are paid to new professors or nonacademic employees than to the veterans they replaced.

Zelmanowitz noted, however, that from these savings, the campus must spend an average of $70,000—ranging from $25,000 to $500,000—in "start-up" costs to recruit a new professor. That money is spent on moving expenses, new equipment, hiring research assistants, even "signing bonuses" (called "reallocation allowances") in order to compete with other research universities for top-flight faculty members, he said.

As a result of the reduction in total faculty, the remaining tenured professors are teaching more courses, faculty workload has increased (even though fewer classes are available), and average class size is up, a campus budget official said. Enrollment has changed little in the two years.

Since 1990-91, the size of the tenured and

tenure-track faculty has dropped from 746 to 710 and the number of courses taught by them has increased from 890 to 945, this official said. During the same time, the number of courses offered to students dropped from 5,695 to about 5,400 this year. The average workload for tenured and tenure-track faculty members in the fall quarter was 2.57 in 1990-91 and 2.65 last fall, the budget official said. Average class size increased from 36 to 38 in that time.

Zelmanowitz said the average tenured or tenure-track Santa Barbara faculty member teaches "from three to five courses a year, with the vast majority in the five range." But he said there is room to tighten up the workload and the campus is in the process of "increasing the teaching load for those not active in research." In addition, departments are being urged to drop classes with small enrollments or offer them less frequently.

Llad Phillips, acting provost of the College of Letters and Science, said budget cuts "have impacted the academic departments and to some extent the instructional function." But, he added, "we have been able to maintain the instructional program up to here" without significant deterioration. Phillips noted that more undergraduate courses are being taught now than before the budget cuts began because of the new systemwide emphasis on undergraduate teaching. "Basic funding allocations to departments have gone down only a little," Phillips said.

But academic support services—the people, equipment and materials crucial to instruction—have been diminished significantly. For example, the number of readers employed by professors for writing classes and large lecture courses has been trimmed. Phillips said he did not know if faculty members were assigning fewer papers because of the time-consuming burden of reading them but acknowledged, "we took a quality decrease in that area."

He also said "we are not fully recovered" from the impact of early retirements. Of all the courses that were taught by professors who retired, only about 20 percent are still being staffed by retirees on a part-time basis, leaving many that cannot be offered at all. "In history, for example, an upper division seminar had to go by the boards because we couldn't find a temporary faculty member to teach it," he said.

Faculty leaders said the myriad cuts have impinged on the campus academic program in often subtle but significant ways. "There is a whole laundry list of small items that, when added up, affect the quality of life" for faculty members and students, said Glenn E. Lucas, professor of chemical and nuclear engineering.

Laurence Iannaccone, professor of education and chairman of the campus Academic Senate, said early retirements resulted in the "loss of research funds, reducing the capacity of departments to bring in money." New assistant professors simply cannot attract the outside research funding that the departed "heavy hitters" could, he said.

Combined with higher student fees, this loss of research funding is "causing great changes in the number of [graduate] students who can be supported with grant money," said Duncan Mellichamp, professor of chemical and nuclear engineering. The loss of senior faculty members also has meant that "some small graduate programs have collapsed because the faculty who taught them are gone and they are extremely hard to replace," Mellichamp said.

Zelmanowitz said history, biology, and some of the foreign language departments have been affected in this way. The senior faculty members who regularly taught upper division courses in Italian and Russian have retired and have not been replaced, he said.

"The richness of the [academic] program is being hurt," Mellichamp said.

One of the little-known consequences of budget cutting has been the loss of foreign

students. "Out-of-state fees are up and it has had a major effect on foreign students–we are losing them," Mellichamp said. "It means we are losing a valuable commodity for California. There is a misconception in Sacramento that if we bring in out-of-state students, it benefits, say, Taiwan. But many of these students stay in California and they are very bright people who contribute a lot to the state economy."

(Last year, foreign and other out-of-state students paid a $7699 tuition fee, in addition to the $3044 in fees paid by California students.)

All these factors—less funding, retiring senior faculty, and rising student fees—have "chipped away" at the academic program, which is like "a rock which now has cracks and will lose a big chunk" of its mass if further cuts take place, Lucas said.

In addition to the 2.5 percent cuts in instruction funds, state-financed research activities on the campus also were reduced 2.4 percent over the past two years. But other spending categories were cut much more. General administration and its support services were trimmed nearly 10 percent over the two years. Student services, including health services, were cut about 12 percent. Academic support, which provides funds for laboratory and shop equipment and materials, was reduced about 10 percent, campus maintenance and operations about 10 percent and library funding about 7 percent.

Overall, about 200 nonacademic positions have been eliminated and about 50 employees have been laid off, Kuntz said. Most positions were vacated through retirements or transfers. Under a systemwide program, employees have been encouraged to take time off without pay, and many have done so, Kuntz said. But these absences, combined with a reduction in total positions, have lowered campus productivity.

John Vasi, associate university librarian, said the budget cuts have resulted in fewer employees, shorter hours, less service, and curtailment of some purchases. Book purchases were specifically exempted from the cuts, but the lack of budget increases to match the higher cost of books has eroded the library's purchasing power by about 15 percent in recent years, according to Vasi.

Thirty-five of the library's 200 employees took early retirement and only 15 were replaced. About 50 of the 400 student jobs also have been eliminated. But there have been no layoffs.

THE CALIFORNIA STATE UNIVERSITY

California State University officials have responded to a $153 million cut in state general fund support over the last two years by reducing enrollment on most of the 20 campuses in the system. Full-time equivalent enrollment was 257,000 last fall–a decline of 21,500 in two years. This fall it is expected to drop again.

"As we face these 'down' years, our budget process has been thrown into chaos." - John R. Richards

"As we face these 'down' years, our budget process has been thrown into chaos," said John R. Richards, chief of budget operations at the CSU headquarters in Long Beach. "We have gone from enrollment-driven budgets to a situation where we're trying to see how many students we can accommodate with the dollars we get."

Added Anthony J. Moye, deputy vice chancellor, "now we say to the campuses, 'you've got this much money–try to get the job done.' "

With the exception of a few campuses (Bakersfield, Dominguez Hills, San Bernardino, San Marcos, and Stanislaus), the Cal State system is "downsizing" as the realization sinks in that California's higher education budget problems are long-term.

Like their University of California counterparts, CSU officials have tried to protect instructional programs, and keep the full-time faculty on board, while cutting almost everything else—part-time faculty, libraries, nonacademic personnel, student services, new equipment purchases, maintenance of buildings and grounds, and more. But it is more difficult for Cal State than for the University of California to defend academic programs, for several reasons:

- The University of California's state constitutional status allows the UC Board of Regents to set student fees, while Cal State fees are determined by the Legislature. The regents have used this authority repeatedly in recent years to increase fees as replacement revenue for state funding cuts. But the Legislature has restrained the CSU Board of Trustees from raising fees as much as the board and Chancellor Barry Munitz would like. Constitutional autonomy also provides UC officials with more flexibility in moving money from one pot to another.

- UC faculty members are paid for both research and teaching, while Cal State faculty members are supposed to devote most of their time to teaching. Again, this provides the University of California with more flexibility in allocating funds.

- The state general fund accounts for almost 80 percent of the CSU budget, while only 28 percent of the University of California's $9.4 billion budget for 1993-94 will come from the general fund.

- The UC Retirement Plan, with $2 billion in assets, has enabled the university to pay for the early retirements of 5,600 faculty and staff members in the last two years, yielding budget savings of about $120 million. Cal State had to scrape up $60 million last year—from Lottery funds and other sources—to finance a plan that produced 1,100 retirements. Eventually, this will yield budget savings for the state university but it is costly in the short run.

- Collective bargaining agreements with unions representing faculty members and other employees control many of the state spending decisions, while the University of California's fewer and weaker unions have less impact on university actions.

Chancellor Munitz said that UC President Peltason stressed these differences between the systems when the two top administrators journeyed to Sacramento last May to lobby Governor Pete Wilson and legislative leaders for more money.

"Jack was sort of saying, 'for Barry, with the inability to adjust fees unilaterally and not having the retirement system, that's why he's lost 23,000 students [actually 21,500] and we have not. That's why there's a big demand gap [students who want to enroll at a CSU campus but can't get in] and we don't have it yet. And that's why Barry's students cannot get out on time and can't get all the courses they want,' " Munitz said in an interview. "It was an interesting contrast coming from him. I hadn't heard it before."

A. A Summary of Cuts and Impacts

State general fund support for the California State University was reduced by $19 million in the 1991-92 academic year and by another $134 million last year, for a two-year loss of $153 million. Much of the loss has been offset by student fee increases, which generated approximately $127.5 million in additional revenue over the two years. About one-third of the new fee revenue was spent on additional student financial aid. Another $30 million was used to offset some of the state funding cuts.

In addition to state general fund reductions, Cal State also has had to cope with "baseline cost increases" for which the state has provided no money. CSU officials say these amounted to $316 million in 1992-93, including unfunded enrollment (the system was budgeted for 247,000 full-time equivalent students in the 1992-93 academic year

but actually enrolled 257,000) and money for merit salary adjustments.

The California State University
(Dollars in Millions)

Revenue Source	1990-'91	91-'92	92-'93(est.)
State General Fund	$1,653	$1,634	$1,500
Student Fees	363	414	490
Lottery	49	27	27
Totals	**$2,065**	**$2,075**	**$2,017**

Source: State Department of Finance, June 8, 1993

The Legislative Analyst, however, has divided these items into "unavoidable" costs such as health benefits and bond payment increases, and "avoidable" costs such as merit salary increases and replacement of instructional equipment. The Analyst's latest report said Cal State had $15.6 million in "unavoidable" cost increases in 1992-93, but another $37.9 million were "avoidable."

The most dramatic effect of budget cuts has been the enrollment decline. Instead of increasing by several thousand students as expected, full-time equivalent enrollment has dropped from 278,502 in fall 1990, to 257,000 last fall. (A full-time student is one who takes at least 12 units per semester.) Part of the drop has been planned, as campuses adjust to new state funding levels. Part has been unplanned—resulting from the loss of 1,585 faculty members and the elimination of 6,500 class sections in the last two years.

Most CSU campuses are smaller than they were two years ago and are planning to become even smaller. Cal State Sacramento had a full-time enrollment of 19,400 in fall 1991, and expects to reduce to 17,150 this fall. In the last two years, San Diego State has dropped from 26,400 to 22,600, San Jose State from 21,500 to 19,500, Cal Poly San Luis Obispo from 15,000 to 13,500, and Cal State Chico from 14,400 to 12,700. The latest report by the Legislative Analyst warns that CSU is not meeting the goal set by the state master plan for higher education, which calls for the state university to admit the top one-third of the state's high school graduates.

Many Cal State faculty members and administrators are unhappy about the "downsizing" process. "I can't believe we are serving the long-term interests of the state by serving fewer students," said Keith Polakoff, associate vice president for academic affairs at Cal State Long Beach.

Instead of increasing by several thousand students as expected, full-time equivalent enrollment has dropped from 278,502 in fall, 1990, to 257,000 last fall.

But others see no choice. "The master plan is a contract that has been broken by the state," said Robert Koob, senior vice president at Cal Poly, San Luis Obispo. "We can't be expected to keep our part of the bargain if the state won't keep its commitment."

The other important effects of the budget cuts include:

- There has been no general salary increase for faculty and staff members since January 1991.
- Student fees have jumped 68 percent since 1990 and will increase another 10 percent next year, to an average $1,440. However, CSU fees will still be well below the national average for comparable institutions.
- The systemwide student-faculty ratio has risen from 18-1 to 22.5-1, as average class size has increased on all 20 campuses.
- Some CSU libraries have purchased no new books for a year or even two years and most have reduced the number of journals and periodicals to which they subscribe.
- Student health services have been slashed

to the bone. Next year students will pay a special fee of $25 to $55 per semester for health services.

Student fees have jumped 68 percent since 1990 and will increase another 10 percent next year, to an average $1,440.

- In some cases, maintenance of buildings and grounds has deteriorated to such a point that "the physical environment is not only ugly but unsafe," said John Richards, CSU chief of budget operations.

B. Across-the-board Instructional Cuts

So far, most of the cutting in instructional programs has been across the board. There have been few efforts to sort out strong campus programs from weak ones, despite concern that some program offerings on some campuses have become so thin that accreditation is threatened. Several campuses have developed academic plans that would build on strong programs while pruning others, but there has been little implementation to date.

An exception is Cal Poly, San Luis Obispo, where a "program evaluation" process has led to the phasing out of home economics and engineering technology, each with about 300 majors, over a three-year period. Efforts are being made to find jobs for the 20 faculty members in those programs, most of whom have tenure, but some may be laid off.

At San Jose State, a similar attempt to make selective cuts in academic programs ended badly. Last fall, after the campus had lost 20 percent of its operating budget and 455 faculty members during the preceding two years, the vice president for academic affairs, Arlene Okerlund, and the Council of Deans produced a plan to eliminate some academic programs and to scale back others.

One of the targets was the Aviation Department, located at the San Jose Airport, where more than 500 students are taught how to manage airports and how to fly and maintain airplanes. Okerlund thought most of these activities were strongly vocational and should be transferred to local community colleges, but there were loud protests from graduates of the program, from airline pilots, and even from local politicians, forcing the campus administration to back away from the proposal.

"Decisions based on academic criteria may not be possible," said Okerlund, who has resigned as academic vice president. "I see political considerations as being overriding on every decision of consequence and I believe that will continue for the indefinite future."

Cal State Chico has made several unsuccessful attempts to trim its small, expensive agriculture program. "People say you ought to make vertical cuts, you ought not to cut across the board, but when you try to do it, you find it's politically impossible," said Gordon Fercho, vice president for business and administration.

The most celebrated attempt to make "deep and narrow" cuts, instead of across-the-board reductions, caused turmoil at San Diego State.

Facing an 8 percent budget cut for the 1992-93 academic year and eager to maintain the strength of his science departments, which had been attracting millions of dollars a year in research grants, President Thomas B. Day approved a plan to eliminate nine departments and make substantial cuts in four others. This would have cost the jobs of 111 tenured and 35 tenure-track professors. The plan was announced late in the 1991-92 academic year, with little faculty consultation, and, as one San Diego State official put it, "the campus exploded." The faculty voted "no confidence" in Day, the American Association of University Professors launched

an investigation and there were calls for the president's dismissal. Day withdrew the plan but relations between the president and the faculty remain tense.

At the height of the controversy, Chancellor Munitz visited the campus, gave luke-warm support to Day and called on the president and the faculty to reach agreement. Academic planners throughout the Cal State system said they took that as a signal that Munitz would not support efforts to make selective cuts if they were controversial, as they almost always are.

"The message was, 'if you're going to do this kind of thing, be prepared to defend it because you're on your own,' " said William H. Griffith, vice president for administration and finance at Cal State Long Beach. "This year, the presidents have been understandably reluctant to take action on their own."

Said a top official of another campus who asked not to be identified, "Tom Day was right—maybe not in the way he did it but in what he was trying to do. When Munitz failed to support him, that was crucial."

But the chancellor insists he followed the right course at San Diego State. "I made it clear [that] the notion of cutting narrow and deep makes perfect sense to me. I'm the last supporter in the world for across-the-board cutting," Munitz said in an interview. "I had trouble with the process. It's absolutely right that I told the campuses, 'if you're going to do it, do it right.' I told them to be careful about building consensus, about sharing the responsibility for decisions, about making certain that most people understand why you're doing this.

"That's why we held them back," he continued, "because of the process, not because they were making tough decisions about departments. If anybody's out there believing that the message at San Diego was 'don't make tough decisions,' that's crazy."

Whatever the chancellor may have intended, the message that was received throughout the system was that across-the-board cutting is safer than trying to make deep reductions in selected instructional programs.

CASE STUDY # 3: Cal State Long Beach

For the first time in years, you can find a place to park at California State University, Long Beach. This is good news for commuting students, faculty, and staff members but bad news for the university, which is caught in a cycle of plummeting enrollments and damaging budget cuts. Full-time equivalent enrollment has dropped from 24,000 to 20,500 in the last four years. In the fall it is expected to be 18,800, lowest since the mid-1970s.

Interim President Karl Anatol tried to look on the bright side of the enrollment free-fall. "Maybe, at long last, we're carrying the number of students this campus can support," he said. "We will educate fewer students but perhaps we can do it a hell of a lot better." But Anatol, who is black, worries about the effect the enrollment decline will have on the "fragile populations"—low-income and minority students. "The gates are being shut for those who most desperately need to be allowed in," he said.

The Long Beach campus has lost $18 million in state support in the last two years. One hundred forty-six full-time professors have left—105 of them on early retirement—although there have been no layoffs of tenured or tenure-track faculty as yet. In addition, 359 part-time instructors have departed.

Last year the university offered 771 fewer class sections than the year before. As a result, many students have been forced to take classes out of sequence—studying advanced material before they complete introductory classes—and many others cannot get the classes they need for graduation, lengthening their stay on campus.

Dorothy Goldish, professor of chemistry

and Academic Senate chairwoman, said some important chemistry courses no longer are offered because the professors who taught them have retired and there are no replacements. This situation is repeated across the campus. There is "a certain amount of desperation and a certain amount of cannibalism among the faculty," Goldish said. "There is some willingness to 'hit you in order to protect me.' "

Most Long Beach faculty members are teaching three or four courses per term, as most professors in the California State University system do, but the classes have grown larger. Goldish said some upper division classes that require students to do a lot of writing have jumped from 25 or 30 students to 150. "Just how much writing and feedback gets done under those conditions?" she asked. "How can we maintain quality when these things are going on?"

The economics department faculty has dropped from 28 to 18 and "we've shrunk the curriculum" to core courses, said department Chairman Joseph P. Magaddino. He said the department once hired economists from business and industry as part-time instructors—"to give students a taste of the real world," but can't afford to do so anymore.

Annual funding for the 1.1 million-volume library—one of the largest in the Cal State system—has been cut from $7 million to $5 million. Library personnel have been reduced by one-third and hours have been cut. Only $80,000 was available for new book purchases last year. "This is coming at a time of extraordinary change in the information area," said Jordan M. Scepanski, director of library and learning services. "Libraries are moving from traditional methods to digitized [electronic] information services, but we can't do much of that in the face of these budget cuts."

Athletics and student services have been hit hard. Last year Cal State Long Beach dropped intercollegiate football, saving about $600,000 a year in state money. Health services, personal and academic counseling, and job placement services all have been cut, though a new $25-per-semester student fee will restore some of the health services.

Ironically, as Long Beach suffers these cuts and enrollment sinks, new buildings are rising on campus–a performing arts center, an addition to the library, and a 2500-car parking garage. This is because state construction schedules lag several years behind enrollment trends. "I wonder what they plan to put in those new buildings?" mused William Mulligan, whose journalism department faces sharp reductions next year.

So far, most of the instructional cuts at Cal State Long Beach have been across the board, not selective. In general, departments and programs have been cut not on their academic merits or their value to society but because they happened to have a number of professors who took early retirement. The emphasis has been on preserving the jobs of tenured and tenure-track faculty members, whether they are good, bad or indifferent.

"It's extraordinarily difficult to try to change an institution like this, with the faculty pressures that exist, the collective bargaining limitations, and other problems," said Scepanski, the library director. "Last year, Karl Anatol [who was provost before he was named interim president] tried to make some 'deep and narrow' cuts but he was sawed off by the Academic Senate and by [Chancellor] Munitz."

Some middle-level administrators know the campus needs to make decisions that will preserve quality programs, drop those of lower caliber, and take into account the demands of the job market as well as the mission of the university.

So far, however, Anatol is taking a cautious approach. "At some point the university has to be 'rightsized,' which means downsized and it can't be done across the board," he said. "But it must be done with attention to students who need to graduate and with

careful attention to the retraining and retooling of faculty members," who might be required to teach in new subject areas.

CASE STUDY # 4: Cal State Sacramento

President Donald R. Gerth of California State University, Sacramento, spends a lot of time these days trying to convince his faculty and staff members that tight higher education budgets are here to stay.

"I have hit awfully hard on the theme that Pat Brown is not coming back," Gerth said in an interview, referring to former Governor Edmund G. "Pat" Brown, who presided over the expansion of the UC and CSU systems in the 1950s and 60s. "The good old days are gone and we shouldn't wait for the good old days to come back."

Gerth's campus has lost $12.5 million in state general fund support in the last two years. Increased student fees have restored some, but not all, of that money.

Full-time equivalent enrollment has fallen from 19,400 two years ago to an expected 17,150 this fall. The decline among freshmen has been particularly steep as prospective students, perhaps frightened away by steadily rising fees and by the unavailability of classes, have chosen to attend community colleges or out-of-state institutions. Part of the enrollment decline, however, has been planned as Cal State Sacramento, like most CSU campuses, has tried to adjust to lower levels of state support.

The university has 119 fewer full-time faculty members, and 114 fewer part-time professors, than it had two years ago. So far, no tenured or tenure-track professors have been laid off, but Gerth is not sure how long that will continue. "We are now saying to the faculty who are tenured and on tenure track that we would like to maintain that stance [no layoffs]," he said, "but that we will only be able to maintain it if faculty members are willing to accept reasonable reassignments." Asked to define a "reasonable reassignment," Gerth cited his own experience. The president is an Asian specialist but said he could teach most political science courses and some in history, though he said laughingly, "Peg Goodart [the History Department chairwoman] probably wouldn't like that very much."

> **"The good old days are gone and we shouldn't wait for the good old days to come back." - Donald R. Gerth**

Because there are fewer faculty members, classes are larger and less numerous. In the College of Arts and Sciences, average class size has increased from 30 to 45. Last fall, the campuswide student-faculty ratio rose to 22-1, though the CSU norm is supposed to be 18-1.

The Government Department has lost four of its 22 permanent faculty members to early retirement, as well as most of its part-time instructors. As a consequence, said department Chairwoman Jean Torcom, several popular courses such as "Women in Politics" and "The Politics of the Unrepresented" are only offered every two or three years.

In anthropology, too, according to department Chairwoman Lorraine Heidecker, courses dealing with women and minorities have been sacrificed as the department concentrates its depleted resources on the basic curriculum.

A "general malaise" has settled over the arts and sciences faculty, Associate Dean Ann Weldy said, because professors are teaching more students, with less clerical assistance, less graduate student help, less money to travel to professional meetings, and no pay raises for three years.

As its budget has dropped from $7 million to $5 million, the large education school has eliminated special programs in art therapy and the teaching of gifted and talented students. The community college teaching cre-

dential has been dropped, as well as a "host teacher" program that sent students into Sacramento-area schools. Next year there will be cutbacks in special education, computer education, and sign language instruction. "We're doing some things we don't like to do but we had to do them to protect our basic program," said Steve Gregorich, the school's ebullient dean. "We're trying to make lemonade out of lemons."

The annual budget for the one-million-volume campus library has been cut from $6 million to $5 million. University librarian Charles Martell said permanent staff has been trimmed by 20 percent and new book purchases, which were running around 40,000 volumes a year in the 1970s, have been reduced to about 13,000 a year.

"It's slowly dawning on people here that this is not a temporary problem," Martell said. "The question is, what to do about it? Do we do the same things on a smaller scale or do we try to do entirely different things?"

"It's slowly dawning on people here that this is not a temporary problem. The question is, what to do about it? Do we do the same things on a smaller scale or do we try to do entirely different things?" - Charles Martell

Convinced that across-the-board cuts were a bad idea and that "major restructuring" was required for the lean times through which California higher education is passing, President Gerth appointed a task force to review all of the university's offerings and to produce a new academic plan. The plan, made public last April, identified 30 degree programs that might be eliminated if budget cuts continued. The report also sought better academic balance on the campus by proposing that enrollments be scaled back in some popular majors such as communications studies and liberal studies, while more students should be sought for philosophy and other unpopular majors.

"We have entered a new era of enrollment management," said Jolene Koester, assistant vice president for academic affairs, who headed the task force. "We've always taken whoever came and let them take whatever they wanted. Now we have to be more pro-active in fashioning enrollments to meet the programs."

Naturally, those targeted for cutbacks are not happy.

"This is overkill," said Claude Duval, chairman of the Foreign Languages Department, which could lose degree programs in French, German, Italian, Latin, and Portuguese because of low enrollments. "The success and quality of programs cannot be measured primarily by numbers [of students]. Unfortunately, we are in a time when the university administration is only looking at numbers."

Duval waved a schedule of this fall's physical education classes, including seven sections of creative aerobics and eight of beginning golf, as well as jogging and advanced volleyball. "Yes, yes, we must have these!" he cried, "while French, German, and Italian are abandoned."

Replied Koester, "It's very easy to trivialize physical activity classes but people in those areas make equally compelling arguments about the centrality of what they teach at this end of the 20th century."

"The notion seems to be that students who want to major in communications studies can be diverted to something like philosophy." - Richard Crable

Richard E. Crable, chairman of the Communications Studies Department, took issue with the plan's recommendation that undergraduate enrollment in his department should be reduced in the search for campus balance. "The notion seems to be that students who want to major in communications studies can be diverted to something like philosophy," Crable said. "That won't happen.

They'll just go someplace else."

Gerth acknowledged that some people are unhappy with the new academic plan but he believes "the basis of support is sufficient." Now the question is whether the president will do what few in the CSU system have done so far and that is implement the plan.

CONCLUSION: PLANNING FOR THE FUTURE

Reeling from the effects of two years of severe budget cuts, California's public university systems so far have been unable to fashion a long-range strategy to cope with the problem. The University of California has just embarked on a process that could lead to the consolidation or elimination of some academic programs next spring. California State University officials have focused on persuading Governor Wilson and the Legislature to provide more money and have not yet turned their attention to reform.

But long-range strategies will be needed because the end to the higher education funding drought is not in sight. Even before the budget cuts of the last two years, the percentage of the state general fund devoted to public colleges and universities was declining steadily. That trend is likely to continue. Even if the California economy recovers from recession faster than most experts predict, funding mandates for public schools and for health and welfare programs make it unlikely that higher education will get a bigger slice of the revenue pie.

All of this is happening at a time when enrollment demand is increasing, especially among underrepresented minority groups. But Cal State is reducing enrollments, not increasing them, and the University of California is threatening to do the same.

Many administrators and faculty leaders in each system have treated the budget problem as short-term and have been slow to make fundamental changes in the way higher education does business.

Although individual UC campuses—notably Berkeley, Davis and UCLA—have begun to trim instructional programs, UC President Jack W. Peltason has conceded that the university's overall response so far has been "a series of ad hoc measures" such as higher student fees and early retirement plans.

In May, however, Peltason told the UC Board of Regents that the time has come "to accelerate [academic] planning, coordination, and direction at the systemwide level to take advantage of our strengths as a system and to avoid the kinds of across-the-board cutting that dilutes the quality of all programs." Peltason has assigned this task to Walter E. Massey, the new provost and senior vice president for academic affairs.

It remains to be seen if the UC leadership will be willing to examine important questions such as these:

- Can the university continue to support eight research campuses and the San Francisco Medical Center (not to mention the proposed new campus in the San Joaquin Valley), or should graduate and professional training be concentrated at a few campuses, while the others emphasize undergraduate education?
- Is it true, as former UC President Clark Kerr believes, that one-third of the money needed to educate the next wave of students can be obtained through better use of existing resources? If this is true, what reforms should the university undertake?
- Should the University of California continue to admit thousands of lower division students (freshmen and sophomores) each year, or should these students be diverted to Cal State or the community colleges, where they can be educated less expensively?

- What can be done to persuade UC professors to emphasize teaching somewhat more and research somewhat less? Is there a way to allocate state research funds to faculty members who are productive and deny them to those whose research is mediocre or nonexistent?

In the 20-campus California State University system, there has been even less planning for the new, straitened circumstances of public higher education. Committees meet, reports are written, recommendations are made, but little happens. Cal Poly, San Luis Obispo, Humboldt State University, and a few other campuses have eliminated some low-enrollment or obsolete academic programs, or have made administrative changes that have produced significant savings. Cal State Long Beach, Cal State Sacramento, and some other CSU campuses have drawn academic blueprints for the future that may or may not be put into effect. At the systemwide level, however, "there is a paucity of plans to deal with a really bad situation at this point," said Gordon Fercho, vice president for business and administration at Cal State Chico.

Some Cal State administrators believe there should be more specialization in the system.

"For instance, we're strong in engineering, fine arts, and natural sciences and we're trying to build up our health-related programs," said a Cal State Long Beach official who asked not to be identified. "But we're not as strong as [Cal State] Fullerton in the liberal arts, Cal State L.A. has a better education program and the sciences are stronger at San Diego State. Why don't we concentrate on the things we do well and let students who want these other things go elsewhere?"

Chancellor Munitz said he, too, wants more specialization, as well as other measures to increase productivity and efficiency.

Munitz said he told the system's academic vice presidents of his disappointment over slow progress in these areas at a meeting several months ago, finally saying, "Look, if I locked you 20 in this room, and we slipped saltines and water under the door periodically, and the only givens were [that] you had no more money and you had to take every qualified student who wanted to come, you would design—before you all died—dramatically different ways of doing business and I want to see it."

But it hasn't happened yet.

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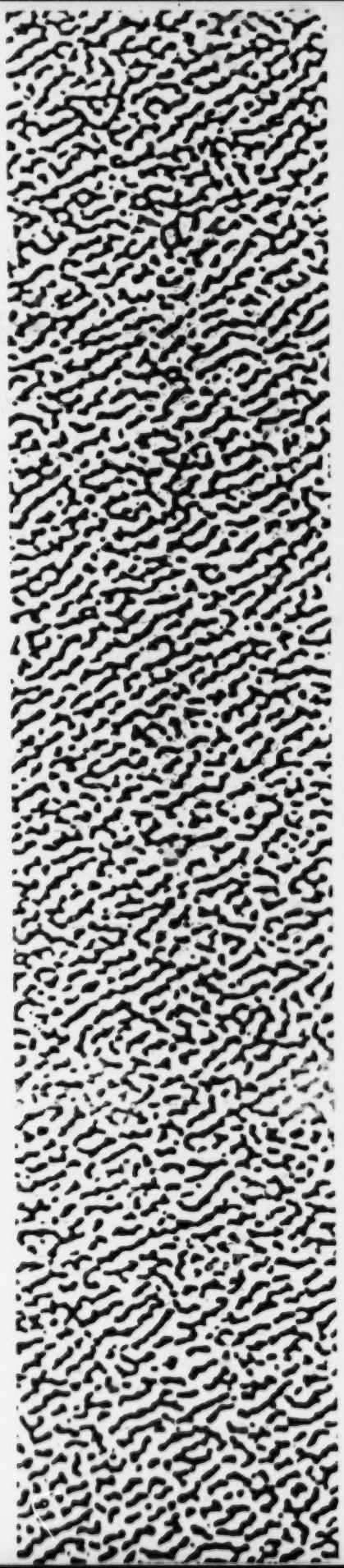

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